

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION

DIVISION OF HIGHWAYS

COST ACCOUNTING INFORMATION STATEMENT

COVER SHEET AND CERTIFICATION

Name of Company:

Address:

Is the above company part of a holding company () Yes () No
If Yes, give name and address of holding company:

The above address is () Home Office () Field Office
If Field Office, give Home Office address:

Name and title of person completing this form:

Phone Number (include area code and extension):

Date of this statement:

CERTIFICATION

I certify that to the best of my knowledge and belief this Statement is the complete and accurate disclosure as of the above date by this company of it's cost accounting practices.

(Name)

(Title)

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Instructions for completing form

Most items on the form can be completed by checking the applicable box (). If additional information is required, attach separate sheets with flowcharts and narratives, as applicable.

This Cost Accounting Information Statement consists of five (5) sections, as follows:

Section I - General Information

This section pertains to general financial and operational information. This includes current financial year costs, general management and accounting structures, government contract relationships, and your knowledge of cost accounting guidelines.

Section II - Direct Costs

Direct Costs are those costs that can be charged as project costs, such as direct labor, mileage, etc. You should use generally accepted accounting descriptions of direct costs in your determination.

Section III - Direct vs. Indirect Costs

The purpose of this section is to determine how costs are charged to government contracts, and also other contracts. Additional instructions are included in this section.

Section IV - Indirect Costs (Overhead)

These are costs that cannot be attributed to a specific contract or workorder. These costs may be grouped together into cost allocation pools, such as General and Administrative, Payroll Burden, etc. Examples may include insurance, utilities, clerical labor, and more.

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Section V - Corporate or Group Expenses

This section attempts to determine how indirect costs are attributable to various segments of a company, including home office, field offices, joint ventures, partnerships, etc.

Some terminology used or phrasing of a particular question may be confusing to some preparers. If you should have any questions on how to complete this form, please contact Mr. George Karr, Supervisor of External Audit, at (304) 558-3101 between the hours of 7:30-4:00 Eastern Time, Monday-Friday.

Unless otherwise stated, check only one (1) item per question please. If a question is not applicable to your company, answer N/A.

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I.1 Type of business entity

☐ Corporation ☐ Partnership ☐ Proprietorship
☐ Not-for-profit ☐ Joint Venture ☐ Educational

I.2 Predominant Type of Operation

☐ Manufacturing ☐ Research and Development
☐ Construction ☐ Engineering
☐ Professional Services ☐ Quasi-Governmental
☐ Other (specify)

I.3 Annual Total Revenue, all sources (estimate allowed)

☐ Less than \$100,000 ☐ \$100,000-\$500,000
☐ \$500,000-\$1,000,000 ☐ \$1-10 million
☐ Over \$10 million

I.4 Annual Total Government Revenues (estimate allowed, all types)

☐ Less than \$100,000 ☐ \$100,000-\$500,000
☐ \$500,000-\$1,000,000 ☐ \$1-10 million
☐ Over \$10 million

I.5 Description of your cost accounting system. Check all applicable selections. If more than one selection checked, explain on additional page.

☐ Standard cost-job order ☐ Standard cost-process
☐ Actual cost-job order ☐ Actual cost-process
☐ Other(s) Describe on additional page.

I.6 Unit or Job Costs. Is your cost accounting system capable of producing a listing of all costs charged to a particular contract, workorder, or project?

☐ Yes
☐ No. Describe on additional page the method for determining the allowable charges to a particular contract, workorder, or project.

I.7 Integration of Cost Accounting with Financial Accounting.
The cost accounting system is:

- () Integrated with financial accounting records, subsidiary cost accounts are all reconcilable to general ledger accounts.
- () Not integrated with financial accounting, cost data accumulated on memorandum records. Please describe on additional page.
- () Combination of both. Please describe on additional page.

I.8 Date of your most recent fiscal year end (month, day, year)

I.9 Attach a copy of your most recent fiscal year financial statements. The statements are to be in dollar form, using general ledger account titles, and without combining accounts under one title. Account titles are to be exactly the same titles used in the general ledger. Include a copy of the latest overhead calculation which can be tied to the financial statements.

I.10 Do you have copies of, or aware of the requirements for allowable costs in any of the following (check all that apply):

- () Federal Acquisition Regulations (FARs)
- () Code of Federal Regulations (CFR)
- () OMB Circulars (as applicable)

I.11 Have you ever been audited by any other government agency? If so, list the name of the agency, accounting period audited, and name and address of auditor, if known. Use additional page if necessary.

I.12 If you are a government organization, attach a copy of the latest cost allocation plan, listing name of approving agency and date.

II.1 Method of Charging Direct Labor. Check all that apply. If more than one checked, explain on additional page.

- ☐ Individual/actual rates
- ☐ Average rates per classification
- ☐ Standard costs/rates (describe types of standards on additional page).
- ☐ Other (explain on additional page).

II.2 To determine total direct labor for overhead computation, how do you treat overtime?

- ☐ Exclude gross overtime
- ☐ Exclude straight-time portion of overtime
- ☐ Include gross overtime
- ☐ Not applicable
- ☐ Other (describe on additional page).

II.3 How are records maintained to document direct labor?

- ☐ Individual time sheets
- ☐ Group time sheets
- ☐ Prorate percentage
- ☐ Other (describe on additional Page).

II.4 Are other costs that can be considered direct, e.g., printing, travel, computer cost, etc., charged directly to contracts, workorders, or projects, or included in overhead?

- ☐ Charged to contracts, workorders, or projects
- ☐ Included in overhead
- ☐ Both (describe on additional page process and criteria)

II.5 Are the methods of assigning direct costs the same regardless of the type of contract used, e.g., lump sum vs. cost plus fixed fee vs. specific rate of pay?

- ☐ Yes
- ☐ No (describe on additional page process and criteria)

III.1 Describe on an additional sheet, using flowcharts and narrative as applicable, how your company determines whether costs are charged directly or indirectly.

III.2 For each of the following, indicate whether the item is charged direct (D), indirect (I), sometimes direct and sometimes indirect (B), or not applicable (N). For items answered (B), explain how the determination is made on an additional sheet. In addition, list the general ledger account name that each item would be charged to.

G/L Acct

- () Health Insurance _____
- () Holiday premium pay _____
- () Overtime premium pay _____
- () Pension Costs _____
- () Shift premium pay _____
- () Training _____
- () Travel & Subsistence _____
- () Vacation pay _____
- () Design Engineering (in house) _____
- () Drafting (in house) _____
- () Computer operations (in house) _____
- () Contract Administration _____
- () Professional Services (consultant fees) _____
- () Travel _____
- () Company owned equipment _____
- () Royalties _____
- () Costs of non-related enterprises or business lines _____
- () Special test equipment _____
- () Subcontract costs _____
- () Laboratory testing _____
- () Computer programming _____

III.3 On separate sheets, describe how rates charged to government contracts are developed, adjusted, and reasons why rates charged to government contracts may differ from other contracts, or included in overhead, if applicable.

- a. Copy or reproduction charges, all types and sizes.
- b. Computer usage and programming
- c. Equipment charges, e.g. automobiles, trucks, etc.

IV.1 For each of the following, give the basis for allocation and general ledger account charged to, if applicable. Examples of basis of allocation may include: Direct labor dollars, direct labor hours, number of employees, square footage, sales, etc.

a. Selling or marketing expense

b. Independent research & development

c. Bid & proposal costs

d. Corporate or home office expense

e. Other business enterprises

IV.2 For each of the following situations, describe how the cost adjustment is made, if applicable. Include the general ledger account charged. Use additional sheets if necessary.

a. Labor in excess of contract limitations.

b. Employee expenses reimbursed by employer, which exceed contract limitations.

c. Over/under charges on lump sum/specific rate of pay contracts.

- V.1 For classification purposes, three methods of allocation are defined: 1) Directly Chargeable--those expenses that are charged to specific corporate segments for centrally performed or purchased services; 2) Separately Allocated--those individual or groups of expenses which are allocated only to a limited group of corporate segments; and 3) Overall allocation--the remaining expenses which are allocated to all or most corporate segments on an overall basis. Corporate segments, as used here, refer to divisions, product departments, plants, or profit centers of a corporation with production and usually profit responsibility, reporting to corporate headquarters directly or through intermediate organizations.

Below, list the type of expense allocated between corporate segments, the basis of allocation for each, and the general ledger accounts charged.

- V.2 Are the expenses listed above allocated to all corporate segments? If No, list on additional sheet(s) the names of excluded segments and the reasons they are excluded.

() Yes () No

- V.3 Are fixed amounts of expenses charged to any corporate segments in lieu of a prorata or allocation basis? If Yes is checked, list on additional sheets(s) the names of such corporate segments and the basis for making fixed management charges.

() Yes () No